SaskTel's Sask911 Annual Report

(fiscal year April 1, 2002 – March 31, 2003)

The Emergency 911 System Act was proclaimed in 1996 and provided the legislative authority for development and implementation of Enhanced 9-1-1 (E911) call-taking service province-wide. The Sask911 system utilizes SaskTel's CRTC regulated Provincial E911 Service infrastructure for 9-1-1 call routing, and customer billing systems for billing. Once completed, the Sask911 system will ensure that, wherever telephone land lines exist in the province and by dialing 9-1-1, people will be able to access a trained emergency 9-1-1 call-taking operator who has electronic access to automatic number, name and location information.

Planning and implementation of the Sask911 System continued in 2002-2003 in collaboration with the three Sask911 Public Safety Answering Points (PSAPs), municipalities, health districts, local emergency service providers, and the Departments of Corrections and Public Safety, and Health.

Attached is SaskTel's financial statement showing the revenues of and expenditures from the Sask911 account for the fiscal year from April 1, 2002 to March 31, 2003.

SaskTel's Goals to move Sask911 forward

- along with the department of Corrections and Public Safety, continue to facilitate the Sask911 process with the other stakeholders;
- continue to bill and collect Sask911 call taking fees, and administrate the Sask911 Account;
- continue to resolve customer billing issues to accommodate Sask911 fees on the phone bill;
- continue to expand SaskTel's Provincial E911 Service coverage into the unserved areas;

SaskTel's Accomplishments

During 2002-2003:

- along with CPS, co-chaired the Sask911 Advisory Committee Meetings, helped facilitate Sask911 Implementation meetings, and provided input and advice to the province for the Sask911 initiative;
- migrated an additional 148 municipalities in West Central Saskatchewan, including municipalities surrounding Saskatoon onto SaskTel's Provincial 911 Service infrastructure in June 2002, and implemented Sask911 fees for this area in August 2002 ;

- completed the rural and urban expansion surrounding Regina, including Yorkton, Melville and the remainder of unserved municipalities in South Central Saskatchewan onto SaskTel's Provincial 911 Service infrastructure in February 2003;

SaskTel's Future Direction

In 2003, 2004, 2005:

- along with the department of Corrections and Public Safety, continue to facilitate the Sask911 process with the other stakeholders;

- continue to implement the expansion of SaskTel's Provincial E911 service in collaboration with the PSAPs to areas of the province that do not have access to E911 service.

- continue to commit the resources for the ongoing support and maintenance of SaskTel's Provincial E911 service infrastructure.

Financial Statements of

SASK911 ACCOUNT

for the year ended March 31, 2003

KPMG LLP
Chartered Accountants
2000 - 1881 Scarth Street
Regina SK S4P 4K9

Telephone (306) 791-1200
Telefax (306) 757-4703
www.kpmg.ca

AUDITORS' REPORT

To the Members of the Legislative Assembly,
Province of Saskatchewan

We have audited the statement of financial position of Sask911 Account as at March 31, 2003 and the statement of operations and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Account's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Account as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures for March 31, 2002 were reported on by another firm of chartered accountants.

KPMG LLP
Chartered Accountants

Regina, Canada
April 15, 2003

KPMG LLP, a Canadian limited liability partnership is the Canadian member of KPMG International, a Swiss nonoperating association.

Sask911 Account

Statement of Operations and Net Assets
For the year ended March 31

	2003	2002
Revenues		
Net Sask911 Account fees (Note 4)	$ 2,128,856	$ 1,692,560
Interest income	14,504	20,317
	2,143,360	1,712,877
Expenses		
Public safety answering points	1,258,213	1,026,795
Central co-ordination	139,618	150,842
Start-up and communications	627,682	517,934
Standards and training	36,900	60,000
	2,062,413	1,755,571
Excess (deficiency) of revenues over expenses	80,947	(42,694)
NET ASSETS, BEGINNING OF YEAR	640,688	683,382
NET ASSETS, END OF YEAR	$ 721,635	$ 640,688

See accompanying notes.

Sask911 Account

Statement of Financial Position
As at March 31

	2003	2002
ASSETS		
Current Assets		
Cash	$ 657,227	$ 489,637
Accounts receivable	181,823	150,387
Interest receivable	1,360	664
	$ 840,410	$ 640,688
LIABILITIES		
Current Liabilities		
Accounts payable	$ 118,775	$ -
NET ASSETS (Note 5)	721,635	640,688
	$ 840,410	$ 640,688

See accompanying notes.

On behalf of SaskTel

R Stephanson Officer

Officer

Sask911 Account

Statement of Cash Flows
For the year ended March 31

	2003	2002
Cash provided by (used in):		
Operating activities		
Excess (deficiency) of revenues over expenses	$ 80,947	$ (42,694)
Changes in non-cash working capital:		
Accounts receivable	(31,436)	(150,387)
Interest receivable	(696)	2,265
Accounts payable	118,775	-
Net increase (decrease) in cash	167,590	(190,816)
CASH BEGINNING OF YEAR	489,637	680,453
CASH END OF YEAR	$ 657,227	$ 489,637

See accompanying notes.

SASK911 ACCOUNT
Notes to Financial Statements
March 31, 2003

1. STATUS OF THE SASK911 ACCOUNT

The Emergency 911 System Act (Chapter E – 7.3 of the Statutes of Saskatchewan) ("the Act") provides for the development, implementation and operation of an Emergency 911 system in the Province, known as The Sask911 System.

Section 45.1 of *The Saskatchewan Telecommunications Act* ("the SaskTel Act") established the Sask911 Account ("the Account"). Effective January 1, 1999 *The Sask911 Fees Regulations* (Chapter S - 34 Reg 3 as amended by Saskatchewan Regulations 39/1999), requires all telecommunication operators providing local telephone services in certain municipalities in Saskatchewan to bill their connected customers prescribed Sask911 fees and to remit these fees to Saskatchewan Telecommunications ("SaskTel") for deposit into the Account. SaskTel manages the Account.

Section 7 of the Act provides that the Minister responsible may direct SaskTel to make payments out of the Account for the purposes of implementing the Act or exercising any of the Minister's powers.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Use of estimates
The preparation of financial statements in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. The inherent uncertainty involved in making such estimates and assumptions may impact the actual results reported in future periods.

3. SCOPE OF FINANCIAL STATEMENTS

In addition to its role in collecting the Sask911 fees referred to in Note 1, pursuant to 9(1)(d.1) of the SaskTel Act, SaskTel is entitled to recover its cost of installing and maintaining the equipment and facilities required to place emergency 911 calls in the Province of Saskatchewan. Fees charged by SaskTel in respect of its telecommunications cost, are not reflected in these financial statements but rather as revenue in the financial statements of SaskTel.

SASK911 ACCOUNT
Notes to Financial Statements
March 31, 2003

4. SASK911 FEES

A portion of the Sask911 fee is retained by SaskTel to cover its cost of billing and account management. The Sask911 fees for the year were as follows:

Sask911 fees billed	2003	2002
Residential	$ 1,964,704	$ 1,519,088
Business/Centrex	252,128	208,555
Multiline/PBX	336,717	303,083
	2,553,549	2,030,726
LESS: SaskTel billing and account management fee	424,693	338,166
	$ 2,128,856	$ 1,692,560

5. NET ASSETS

In accordance with the Act and pursuant regulations, the Account contains net assets as follows:

Designated assets	2003	2002
Public safety answering points	$340,652	$270,593
Central coordination	113,947	73,862
Start-up and communications	154,557	211,889
Standards and training	44,612	30,981
	653,768	587,325
Non-designated assets		
Accumulated interest	67,867	53,363
	$721,635	$640,688

Designated assets will be disbursed on the receipt of directive from the Minister of Corrections and Public Safety.

SASK911 ACCOUNT
Notes to Financial Statements
March 31, 2003

6. RELATED PARTY TRANSACTIONS

These financial statements include transactions with Saskatchewan Telecommunications, which is considered a related party by virtue of common control by the Government of Saskatchewan.

SaskTel provides Sask911 with billing and account management services, which are settled at prevailing market prices under normal trade terms. Accounts receivable of $181,823 ($150,387 in 2002) are due from SaskTel.

In addition, Sask911 pays Saskatchewan Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

7. FINANCIAL INSTRUMENTS

The carrying amounts of cash, accounts receivable, interest receivable and accounts payable approximate fair value due to the short term nature of these financial instruments.

8. COMPARATIVE FIGURES

The 2002 figures have been reclassified to conform to current year's financial statements presentation.

SASK911 ACCOUNT
2002/03 PAYEES

Listed are payees who received $20,000 or more for the provision of goods and services, including office supplies, communications, contracts and equipment

Payees	Amount
City of Prince Albert	$ 544,952.71
City of Regina	530,073.01
City of Saskatoon	534,837.51
Prairie Advertising	50,610.95
Robert Kocalka	65,424.56
Duane McKay	72,198.10
Wawryk Associates Ltd.	254,857.94
Payees under $20,000	9,458.27
TOTAL PAYMENTS	**$2,062,413.05**

Listed are individuals who received payments for salaries, benefits, honorariums, etc. which total $2,500 or more.

None